



POSTAL SERVICE

39 CFR Part 111

Promotions and Incentive Programs for First-Class Mail and Standard Mail

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service will revise the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) 709.3 to include new promotions and incentive programs that will be offered at various time periods during calendar year 2013 for Presorted and automation First-Class Mail® cards, letters, and flats, and Standard Mail® letters, flats, or parcels.

DATES: *Effective date:* March 4, 2013.

FOR FURTHER INFORMATION CONTACT: Krista Becker at 202-268-7345 or Bill Chatfield at 202-268-7278. Email contacts are: mobilebarcode@usps.gov for the Mobile Coupon/Click-to-Call, Emerging Technologies, Product Samples, and Mobile Buy-It-Now programs; and earnedvalue@usps.gov or picturepermit@usps.com for the two other programs.

SUPPLEMENTARY INFORMATION: The Postal Service filed a notice with the Postal Regulatory Commission (PRC) (Docket No. R2013-1) on October 11, 2012 to offer six new promotions in 2013 and the PRC approved the 2013 promotions on November 16, 2012.

In this final rule, the Postal Service provides a description of the eligibility conditions for the various promotional programs and the revised mailing standards to implement the programs. The types of eligible mailpieces are listed

in the descriptions for each promotion. EDDM-Retail® mailings are not eligible for participation in any of the promotions. OMAS and official government mailings are eligible for participation in the Earned Value Reply Mail promotion only. Registration for must be made separately for each promotion through the Business Customer Gateway.

Summary of Promotional Programs

The six promotional programs, in calendar order are:

1. Direct Mail Mobile Coupon and Click-to-Call
2. Earned Value Reply Mail
3. Emerging Technologies
4. Picture Permit Imprint
5. Product Samples
6. Mobile Buy-It Now

Postage Payment for Mobile Coupon/Click-to-Call, Emerging Technologies, and Mobile Buy-It Now

The following parameters apply to the Mobile Coupon/Click-to-Call, Emerging Technology, and Mobile Buy-It Now promotions.

Mailing documentation and postage statements must be submitted electronically. Mailings entered by an entity other than the mail owner must identify the mail owner and mail preparer in the by/for fields. Full-service mailings are limited to 9,999 pieces if submitted via Postal Wizard. If some pieces in a mailing are not claiming a promotion discount, separate postage statements must be used for pieces not claiming the discount and for pieces claiming the discount.

All discounts must be claimed on the electronic postage statement at the time of mailing and will not be rebated at a later date.

Postage payment methods will be restricted to permit imprint, metered postage, or precancelled stamps. Pieces with metered postage must bear an exact amount of postage as stipulated by the class and shape of mail. Affixed postage values for metered mailings will be as follows:

First-Class Mail postcards	\$0.20
First-Class Mail automation and (PRSTD) machinable letters	\$0.25
First-Class Mail nonmachinable letters	\$0.45
First-Class Mail automation and Presorted flats	\$0.35
STD Mail Regular letters	\$0.12
STD Mail Regular flats	\$0.13
STD Nonprofit letters	\$0.05
STD Nonprofit flats	\$0.06

Mailings with postage paid by metered or precancelled stamp postage will have the percentage discount deducted from the additional postage due, except for Value Added Refund mailings, which may include the amount of the discount with the amount to be refunded.

Description of Promotional Programs

Mobile Coupon/Click-to-Call:

This promotion provides an upfront 2 percent postage discount for presort and automation mailings of First-Class Mail letters, postcards, or flats and Standard Mail (including Nonprofit) letters and flats that integrate mail with mobile technology and promote the value of direct mail. There are two separate ways to participate within the one overall program: Mobile Coupon and Click-to-Call.

Mailers may participate in one or both ways, but only one discount may apply per mailing. The Mobile Coupon option will encourage mailers to integrate hard-copy coupons in the mail with mobile platforms for redemption. The Click-to-Call option will drive consumer awareness and increase usage of mail with mobile barcodes that provide click-to-call functionality.

For the Mobile Coupon program, at least one of the following options apply:

1. The mailpiece must be a coupon, entitling only the recipients to a discount off a product or service.
2. The mailpiece must contain either mobile-print technology (such as a 2D barcode or smart tag) that can be scanned by a mobile device linking to a mobile coupon or a short number to be used to initiate a text communication that then triggers a SMS/EMS or MMS message with a one-time coupon or code. Texts that allow an option for ongoing coupons via text are not eligible.

Coupon recipients must be able to present physical coupons or coupons stored on mobile devices at any of the mailer's retail locations that exist. For mailers who do not have retail locations, the following conditions apply:

1. The mailpiece must contain a code to receive a discount online or via a call center.
2. The coupon discount is offered only to mailpiece recipients and is not a discount available to all customers.
3. The entire online shopping experience and path to purchase must be mobile-optimized.

For the Click-to-Call program, the mailpiece must contain mobile technology that can be scanned by a mobile device and the scanned item (barcode, RFID chip, NFC Smart tag, etc.) must link directly to a mobile-optimized website with a "click to call" link or bring up a phone number on the user's phone. The mailpiece must contain text near the barcode or image that guides the consumer to scan the image, or informs the consumer about the landing page.

Registration is January 15 - April 30, 2013. The program period is from March 1 - April 30, 2013.

Earned Value Reply Mail Promotion:

First-Class Mail Business Reply and Courtesy Reply mailers will receive a \$0.02 postage credit for each machinable Business Reply Mail® (BRM) or Courtesy Reply Mail™ (CRM) card or letter bearing a qualifying Intelligent Mail® barcode (IMb™) that is scanned in the postal network. IMbs on reply pieces must be encoded with the correct Mailer ID, barcode ID, service type ID, and ZIP+4® routing code as assigned by the USPS. This promotion is designed to encourage mailers to promote First-Class Mail as a primary reply mechanism for their customers and to keep the BRM/CRM envelopes in their outgoing mail pieces by providing a financial benefit when the BRM/CRM envelopes are used.

Registration is January 15 to March 31, 2013. Participants must register their Mailer IDs (MIDs) and permit account on the Incentive Programs Service area of the Business Customer Gateway. Participants also must agree to participate in a survey about the promotion. The program participation period is

from April 1 - June 30, 2013. There will be no requirement that the reply piece is mailed out during the promotion period, but it must be returned in the mail during that period. Rebate credit will not be earned for pieces scanned prior to April 1 or after June 30th. Rebate credits can be redeemed for postage for future mailings of First-Class Mail presort and automation letters, cards, or flats, or for Standard Mail letters or flats paid from the permit account to which the credit was applied. The USPS encourages participants to schedule their mailings in the appropriate time frame to maximize the number of reply pieces coming back during the promotion period.

Emerging Technologies

By providing an upfront 2 percent postage discount, this promotion is designed to build on the successes of past mobile barcode promotions and promote awareness of how innovative technologies (such as Near-Field Communication, Augmented Reality, and Authentication) can be integrated with a direct mail strategy to enhance the value of direct mail. Registration is June 15 to Sept. 30, 2013. The program participation period is from August 1 - September 30, 2013. Mailers and mail service providers must register on the Business Customer Gateway via the Incentive Programs Service and agree to the promotion terms at least 2 hours prior to the first qualifying mailing, including specifying the permits and CRIDs to be used in the promotion. Participants also must agree to complete a survey about their participation in the program.

Eligible mailpieces are First-Class Mail presort and automation cards, letters, or flats, and Standard Mail letters or flats. All pieces must meet at least one of the following requirements:

1. Near-Field Communication (NFC) component: The mailpiece must contain a NFC smart tag or RFID chip that allows information to be transmitted to a mobile device.
2. Augmented Reality component: The mailpiece must contain print that allows the recipient to engage in an augmented reality experience facilitated by a mobile device or computer. The experience must combine real and virtual components, be interactive in real time, be registered in 2-D or 3-D, and be relevant to the contents of the mailpiece.
3. Authentication component: The mailpiece must integrate delivery of the physical mailpiece with mobile technology, allowing the user to complete authentication processes for customers and mail recipients. Mailers must obtain prior approval for their proposed authentication uses from the USPS program office.

The 2 percent discount for eligible pieces is applied at the time of mailing. If multiple emerging technologies are used on the same mailpiece, the discount is only applied once.

Picture Permit

The Picture Permit promotion is designed to further promote the use of Picture Permit Imprint Indicia, which can improve a mailpiece's visibility and impact as a marketing tool. For pre-approved mailers, the Picture Permit fee of 1 cent per mailpiece for First-Class Mail automation letters and cards will be waived, and the current 2 cents fee for Standard Mail automation letters will be waived. Full-service Intelligent Mail barcodes are required on each piece. It is

recommended that prospective participants allow 4 months before the first mailing date to complete the Picture Permit Imprint Indicia approval process and have proposed designs approved by the USPS Picture Permit program office. Registration for the Picture Permit promotion is allowed from June 1 to Sept. 30, 2013. The promotion participation period is from August 1 - September 30, 2013. Mailers and mail service providers must first complete the initial program registration for Picture Permit at the website: www.usps.com/picturepermit. After completion of the 4-step authorization process, preapproved participants will be invited to register for the promotion. Approved mailers must agree to participate in a survey about the promotion.

Postage must be paid by permit imprint, with documentation and postage statements submitted electronically. Participants must claim the waiver of fees on the electronic postage statement at the time of submission. All mailpieces in a mailing must be eligible for the promotion. Qualified plant-verified drop shipment (PVDS) mailings that are verified and paid for by September 30, 2013 may be entered at destination entry facilities through October 15, 2013. Questions may be sent by email to: picturepermit@usps.com.

Product Samples

Designed to re-invigorate product sampling via the mail, the Product Samples promotion will provide mailers with a 5 percent upfront postage discount on qualifying mail that contains product samples. The promotion will increase awareness of the new "Simple Samples" pricing in Standard Mail, which began Jan. 27, 2013. Mailers and mail service providers must register from May 1 to

September 30, 2013 on the Incentive Programs Service area of the Business Customer Gateway. Mailers must agree to participate in a survey about the promotion. The program participation period is from August 1 to September 30, 2013. Qualified PVDS mailings that are verified and paid for by September 30, 2013 may be entered at destination entry facilities through October 15, 2013.

All qualifying parcels must contain a product sample, a physical product whose purpose is to encourage recipients to purchase a product or service, form a belief or opinion, or take an action. Postage must be paid by permit imprint, meter, or precancelled stamps; postage statements and documentation must be submitted electronically. Participants must claim the discount on the electronic postage statement at the time of submission. Questions may be sent by email to: mobilebarcode@usps.gov.

Mobile Buy-It-Now

This promotion provides mailers (of presort and automation First-Class Mail cards, letters, and flats and Standard Mail letters and flats) with an upfront 2 percent postage discount to encourage them to demonstrate how direct mail combined with mobile technology can be a convenient method for consumers to do their holiday shopping. To participate, mailers and mail service providers must register on the Incentive Programs Service area of the Business Customer Gateway and agree to promotion terms from September 15 to December 31, 2013, at least 2 hours before presenting the first qualifying mailing. The program participation period is from November 1 to December 31, 2013. Participants must agree to complete a survey about their participation in the promotion.

Qualifying mailpieces must include a two-dimensional barcode or print/mobile technology that can be read or scanned by a mobile device, directly leading the recipient to a mobile-optimized web page that allows the purchase of an advertised product through a financial transaction on the mobile device. The mailpiece must also contain text near the barcode or image that guides the consumer to scan the image or informs the consumer about the landing page.

These additional requirements apply:

1. The destination web page must contain information relevant to the content of the mailpiece, and some of the products advertised must be available for purchase on a mobile device.
2. The purchase must be able to be completed through the mobile device via an electronic payment method, such as a credit card, debit card, or via PayPal, or by allowing an order to be placed on the mobile device through the internet, leading to a subsequent invoice.
3. A product, for purposes of this promotion, is defined as a tangible and physical item that can be shipped via a mailing or shipping product offered by the USPS (although delivery by the USPS is not required). The sale of a service without a tangible product does not qualify.
4. Products must be offered for fulfillment via home delivery; products offered as shipments for in-store pickup only will not qualify.

General Discount Information

Commingled, co-mailed, and combined mailings are allowed, but a separate postage statement is required for those mailpieces eligible to participate in the applicable promotion.

Each price reduction will be taken off the eligible postage amount due at the time of mailing. Promotion discounts do not apply to single-piece First-Class Mail pieces including residual single-piece First-Class Mail pieces claimed on a postage statement for Presorted and automation mailings. Price reductions also do not apply to any Standard Mail residual pieces paying single-piece First-Class Mail prices.

Eligible mailings must be accompanied by electronic documentation, submitted via mail.dat, mail.xml, or Postal Wizard. The electronic documentation must identify the mail owner and mail preparer in the "by/for" fields for all mailings, either by the Customer Registration ID (CRID) or Mailer ID (MID) assigned by USPS. As a general reminder, mailings of automation flats or automation cards and letters, including Standard Mail letters (other than those with simplified addresses) claiming a carrier route automation letter price, must have Intelligent Mail barcodes. Full-service use of IMbs is required for some promotions as specified.

Registration Before Participation and More General Information

To participate in any of the promotional programs, customers must be registered on the Incentive Programs Service area of the Business Customer Gateway at <https://gateway.usps.com/bcg/login.htm>. Customers must specify which permits and CRIDs will participate in which promotion(s). Registration

opens as specified for each program above. Program requirements, including updated FAQs, are available on the RIBBS® website at <https://ribbs.usps.gov/index.cfm?page=mobilebarcode> or by email to mobilebarcode@usps.gov.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is amended as follows:

PART 111 — [AMENDED.]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM).

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM):

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700 Special Standards

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709 Experimental and Temporary Classifications

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[Revise the title and complete text of 3.0 as follows:]

3.0 Promotions for First-Class Mail and Standard Mail for 2013

3.1 Summary of Programs

There will be six new promotional incentive programs offered during calendar year 2013 for Presorted and automation First-Class Mail cards, letters, and flats, and Standard Mail letters, flats, or parcels. EDDM-Retail mailings are not eligible for participation in any of the promotions; OMAS and official government mailings are eligible only for participation in the Earned Value Reply Mail promotion.

Automation letters and flats must bear correct Intelligent Mail barcodes.

Participants in each promotion also agree to participate in a survey about the promotion. See 3.2 for how to register. The six promotional programs, in calendar order, are:

a. Direct Mail Mobile Coupon and Click-to-Call

1. Registration: January 15 - April 30, 2013;
2. Program period: March 1 - April 30, 2013.

b. Earned Value Reply Mail

1. Registration: January 15 - March 31, 2013;
2. Program period: April 1 - June 30, 2013.

c. Emerging Technologies

1. Registration: June 15 - September 30, 2013;
2. Program period: August 1 - September 30, 2013.

d. Picture Permit Imprint

1. Advance registration: 4 months or more before program period begins.
2. Enrollment: June 1 - September 30, 2013;
3. Program period: August 1 - September 30, 2013.

e. Product Samples

1. Registration: May 1 - September 30, 2013;
2. Program period: August 1 - September 30, 2013.

f. Mobile Buy-It Now

1. Registration: September 15 - December 31, 2013;
2. Program period: November 1 - December 31, 2013.

3.2 Registration and General Conditions for Documentation

Customers must register for each promotion on the Incentive Programs Service through the Business Customer Gateway at <https://gateway.usps.com/bcg/login.htm>, and specify which permits and CRIDs will participate in the promotion. Mailpieces must be mailed under the following conditions:

- a. Except for the Earned Value Reply Mail and Picture Permit promotions, postage must be paid by permit imprint or by affixing metered postage or a precanceled stamp to each piece of mail. Pieces with metered postage must bear an exact amount of postage as stipulated by the class and shape of mail, and according to the table published in the Federal Register notice under "postage payment methods." Provisions for additional postage are in

- 234.2.2a and 334.2.2a for First-Class Mail pieces over 1 ounce, and in 244.2.2 and 344.2.2 for Standard Mail pieces over 3.3 ounces.
- b. The postage statement and mailing documentation must be submitted electronically. The mail owner's identity must be indicated in the electronic documentation, which must identify the mail owner and mail preparer in the by/for fields, either by Customer Registration ID (CRID) or Mailer ID (MID) assigned by the USPS. All Presorted and automation pieces declared on a postage statement must qualify for the discount.
 - c. The electronic equivalent of the mailer's signature on the postage statement will certify that each mailpiece claimed on the postage statement qualifies for the applicable promotion.

3.3 Program Descriptions

Each of the six promotions is briefly described below. More detailed information, including updated FAQs, is available on the RIBBS website at <https://ribbs.usps.gov/index.cfm?page=mobilebarcode>.

3.3.1 Direct Mail Mobile Coupon and Click-to-Call

This promotion provides an upfront 2 percent postage discount for presort and automation mailings of First-Class Mail letters, postcards, or flats and Standard Mail (including Nonprofit) letters and flats that integrate mail with mobile technology. There are two separate ways to participate within the one overall program; mailers may participate in one or both, but only one discount applies per mailing. The Mobile Coupon option integrates hard-copy coupons in the mail with mobile platforms for redemption. Participation in the Click-to-Call option

increases use of mail with mobile barcodes that provide click-to-call functionality.

Conditions are as follows:

- a. For the Mobile Coupon program, the coupon is offered only to mailpiece recipients, the entire path to purchase must be mobile-optimized, and at least one of the following two options apply:
 1. The mailpiece must be a coupon, entitling only the recipients to a discount off a product or service.
 2. The mailpiece must contain either mobile-print technology that can be scanned by a mobile device linking to a mobile coupon or a short number to be used to initiate a text communication that triggers a text message with a one-time coupon or code.
- b. For both options in 3.3.1a, coupon recipients must be able to present physical coupons or coupons stored on mobile devices at retail locations or the mailpiece must contain a code to receive a discount online or via a call center.
- c. For the Click-to-Call program, the mailpiece must contain mobile technology that can be scanned by a mobile device and the scanned item must link directly to a mobile-optimized website with a "click to call" link or to a phone number on the user's phone. The mailpiece must contain text near the image to guide the consumer to scan the image.

3.3.2 Earned Value Reply Mail

First-Class Mail Business Reply Mail (BRM) and Courtesy Reply Mail (CRM) mailers will receive a \$0.02 postage credit for each machinable BRM or CRM

card or letter bearing a qualifying Intelligent Mail barcode (IMb) that is scanned in the postal network during the program period. IMbs on reply pieces must be encoded with the correct Mailer ID, barcode ID, service type ID, and correct ZIP+4 routing code as assigned by the USPS. Rebate credits can be redeemed for postage for future mailings of First-Class Mail presort and automation letters, cards, or flats, or for Standard Mail letters or flats paid from the permit account where the credit was applied.

3.3.3 Emerging Technologies

If multiple emerging technologies are used on the same mailpiece, the 2% upfront discount is only applied once. To be eligible for the discount, all First-Class Mail presort and automation cards, letters, or flats, and Standard Mail letters or flats must meet at least one of the following requirements:

- a. The mailpiece must contain a Near-Field Communication (NFC) smart tag or RFID chip that allows information to be transmitted to a mobile device.
- b. The mailpiece must contain print that allows the recipient to engage in an augmented reality experience, relevant to the contents of the mailpiece, facilitated by a mobile device or computer.
- c. The mailpiece must integrate delivery of the physical mailpiece with mobile technology, allowing the user to complete authentication processes for customers and mail recipients. Mailers must obtain prior approval from the USPS program office for each proposed process

3.3.4 Picture Permit Imprint

For pre-approved mailers, the Picture Permit fee for First-Class Mail automation

letters and cards will be waived, and the fee for Standard Mail automation letters will be waived. Full-service Intelligent Mail barcodes are required on each piece. Mailers and mail service providers must complete registration for Picture Permit at the website: www.usps.com/picturepermit. After completion of the authorization process, preapproved participants will be invited to register for the promotion. Postage must be paid by permit imprint; participants must claim the waiver of fees on the electronic postage statement at the time of submission. All mailpieces in a mailing must be eligible for the promotion. Qualified PVDS mailings that are verified and paid for by September 30, 2013 may be entered at destination entry facilities through October 15, 2013.

3.3.5 Product Samples

The Product Samples promotion will provide mailers with a 5 percent upfront postage discount on qualifying mail that contains product samples. All qualifying parcels must contain a product sample. Qualified PVDS mailings that are verified and paid for by September 30, 2013 may be entered at destination entry facilities through October 15, 2013.

3.3.6 Mobile Buy-It Now

The Mobile Buy-It-Now promotion provides mailers (of presort and automation First-Class Mail cards, letters, and flats and Standard Mail letters and flats) with an upfront 2 percent postage discount. Qualifying mailpieces must include a two-dimensional barcode or print/mobile technology that can be read or scanned by a mobile device, directly leading the recipient to a mobile-optimized web page that allows the purchase of an advertised product through a financial transaction on

the mobile device. The mailpiece must also contain text near the image that guides the consumer to scan the image. These additional requirements apply:

- a. The destination web page must contain information relevant to the content of the mailpiece and some of the products advertised must be available for purchase on a mobile device.
- b. The purchase must be able to be completed through the mobile device via an electronic payment method, or by allowing an order placed on the mobile device through the internet leading to a subsequent invoice.
- c. A product, for purposes of this promotion, is defined as a tangible and physical item that can be shipped via a mailing or shipping product offered by the USPS (although delivery by the USPS is not required).
- d. Products must be offered for fulfillment via home delivery; products offered as shipments for in-store pickup only will not qualify.

3.4 Discounts

For all promotion providing an upfront postage discount, mailers must claim the postage discount on the postage statement at the time the statement is electronically submitted. Mailings with postage affixed will deduct the discount amount from the additional postage due, except that mail service providers authorized to submit Value Added Refund ("VAR") mailings may include the discount in the amount to be refunded. See also 3.2.

3.5 Mobile Barcode or Image Placement

For promotions that include printing of a mobile barcode or other scannable printed image, the image cannot be placed on a detached address label (DAL or

DML) or card that is not attached to the mailpiece. The image cannot be placed in the (postage) indicia zone or the (Intelligent Mail) barcode clear zone on the outside of the mailpiece. For letters, the barcode clear zone is defined in 202.5.1. For flats, the barcode clear zone for this purpose is the barcode itself and an area that extends an additional 1/8 inch from any part of the barcode. The indicia zone is defined as follows:

- a. The postage “indicia zone” is 2 inches from the top edge by 4 inches from the right edge of the mailpiece;
- b. When the postage indicium is not in the area described in 3.4a, the mobile barcode or image must not be placed within 2 inches of the actual postage indicium.

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We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

Stanley F. Mires,

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